

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIRST LEGISLATURE  
FIRST SPECIAL SESSION  
**LEGISLATIVE BILL 15**

Introduced by White, 8.

Read first time November 06, 2009

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections  
2 77-4209, 77-4210, 77-4211, and 77-4212, Revised Statutes  
3 Cumulative Supplement, 2008, sections 90-510 and 90-511,  
4 Revised Statutes Supplement, 2009, and Laws 2009, LB  
5 545A, section 1; to rename the Property Tax Credit  
6 Act and a fund; to change the property tax credit; to  
7 provide property tax relief; to change appropriations;  
8 to harmonize provisions; to repeal the original sections;  
9 and to declare an emergency.

10 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 77-4209, Revised Statutes Cumulative  
2 Supplement, 2008, is amended to read:

3           77-4209 Sections 77-4209 to 77-4212 and section 3 of this  
4 act shall be known and may be cited as the Property Tax ~~Credit~~  
5 Relief Act.

6           Sec. 2. Section 77-4210, Revised Statutes Cumulative  
7 Supplement, 2008, is amended to read:

8           77-4210 The purpose of the Property Tax ~~Credit~~ Relief Act  
9 is to provide property tax relief for property taxes levied against  
10 homesteads, real property. ~~The property tax relief will be made to~~  
11 ~~owners of real property in the form of a property tax credit.~~

12           Sec. 3. For purposes of the Property Tax Relief Act,  
13 homestead has the same meaning as in section 77-3502.

14           Sec. 4. Section 77-4211, Revised Statutes Cumulative  
15 Supplement, 2008, is amended to read:

16           77-4211 The Property Tax ~~Credit~~ Relief Cash Fund is  
17 created. The fund shall only be used pursuant to the Property Tax  
18 ~~Credit~~ Relief Act. Any money in the fund available for investment  
19 shall be invested by the state investment officer pursuant to  
20 the Nebraska Capital Expansion Act and the Nebraska State Funds  
21 Investment Act.

22           Sec. 5. Section 77-4212, Revised Statutes Cumulative  
23 Supplement, 2008, is amended to read:

24           77-4212 (1) ~~For tax year 2007, the amount of relief~~  
25 ~~granted under the Property Tax Credit Act shall be one hundred~~

1 ~~five million dollars.~~ For tax year years 2008, and 2009, the amount  
2 of relief granted under the act Property Tax Relief Act shall  
3 be one hundred fifteen million dollars. ~~It is the intent of the~~  
4 ~~Legislature to fund the Property Tax Credit Act for tax years after~~  
5 ~~tax year 2008 using available revenue.~~ The For tax years 2008 and  
6 2009, the relief shall be in the form of a property tax credit  
7 which appears on the property tax statement. For tax years after  
8 2009, the relief shall be in the form of a homestead exemption.

9 (2) ~~To~~ For tax years 2008 and 2009, to determine the  
10 amount of the property tax credit, the county treasurer shall  
11 multiply the amount disbursed to the county under subsection (4)  
12 of this section by the ratio of the real property valuation of  
13 the parcel to the total real property valuation in the county.  
14 The amount determined shall be the property tax credit for the  
15 property.

16 (3) ~~If~~ For tax years 2008 and 2009, if the real property  
17 owner qualifies for a homestead exemption under sections 77-3501  
18 to 77-3529, the owner shall also be qualified for the relief  
19 provided in the act to the extent of any remaining liability after  
20 calculation of the relief provided by the homestead exemption. If  
21 the credit results in a property tax liability on the homestead  
22 that is less than zero, the amount of the credit which cannot  
23 be used by the taxpayer shall be returned to the State Treasurer  
24 by July 1 of the year the amount disbursed to the county was  
25 disbursed. The State Treasurer shall immediately credit any funds

1 returned under this section to the Property Tax Credit Cash Fund.

2 (4) The For tax years 2008 and 2009, the amount disbursed  
3 to each county shall be equal to the amount available for  
4 disbursement determined under subsection (1) of this section  
5 multiplied by the ratio of the real property valuation in the  
6 county to the real property valuation in the state. By September  
7 15, the Property Tax Administrator shall determine the amount to  
8 be disbursed under this subsection to each county and certify  
9 such amounts to the State Treasurer and to each county. The  
10 disbursements to the counties shall occur in two equal payments,  
11 the first on or before January 31 and the second on or before  
12 April 1. After retaining one percent of the receipts for costs,  
13 the county treasurer shall allocate the remaining receipts to each  
14 taxing unit levying taxes on taxable property in the tax district  
15 in which the real property is located in the same proportion that  
16 the levy of such taxing unit bears to the total levy on taxable  
17 property of all the taxing units in the tax district in which the  
18 real property is located.

19 (5) For tax year 2010, all homesteads in this state shall  
20 be assessed for taxation the same as other property, except that  
21 there shall be exempt from taxation of a homestead a dollar amount  
22 equal to a percentage of the assessed value of the homestead.  
23 The exempt percentage to be applied statewide shall be determined  
24 annually by the Property Tax Administrator based on appropriations  
25 to the Property Tax Relief Cash Fund. For tax year 2010, an owner

1 shall file an application for the homestead exemption provided in  
2 this subsection pursuant to section 77-3512. For tax year 2011 and  
3 subsequent tax years, if an owner has been granted the homestead  
4 exemption, no reapplication need be filed for succeeding years, in  
5 which case the county assessor shall determine whether the claimant  
6 qualifies for the homestead exemption in such succeeding years as  
7 though a claim were made. The provisions of sections 77-3501 to  
8 77-3529 apply to the homestead exemption. Reimbursement to counties  
9 under section 77-3523 for the homestead exemption shall be made  
10 from the Property Tax Relief Cash Fund.

11 ~~(5)~~ (6) The State Treasurer shall transfer from the  
12 General Fund to the Property Tax Credit Cash Fund one hundred five  
13 million dollars by August 1, 2007, and one hundred fifteen million  
14 dollars by August 1, 2008. The State Treasurer shall transfer  
15 from the General Fund to the Property Tax Relief Cash Fund ninety  
16 million dollars by August 1, 2010.

17 ~~(6)~~ (7) The Legislature shall have the power to transfer  
18 funds from the Property Tax Credit ~~Relief~~ Cash Fund to the General  
19 Fund.

20 Sec. 6. Section 90-510, Revised Statutes Supplement,  
21 2009, is amended to read:

22 90-510 The State Treasurer shall transfer \$112,000,000  
23 from the General Fund to the Property Tax Credit ~~Relief~~ Cash Fund  
24 on or before December 31, 2009, on such date as directed by the  
25 budget administrator of the budget division of the Department of

1 Administrative Services.

2           Sec. 7. Section 90-511, Revised Statutes Supplement,  
3 2009, is amended to read:

4           90-511 The State Treasurer shall transfer ~~\$112,000,000~~  
5 \$90,000,000 from the General Fund to the Property Tax ~~Credit~~  
6 Relief Cash Fund on or before December 31, 2010, on such date as  
7 directed by the budget administrator of the budget division of the  
8 Department of Administrative Services.

9           Sec. 8. Laws 2009, LB 545A, section 1, is amended to  
10 read:

11           Section 1. AGENCY NO. 13 - STATE DEPARTMENT OF EDUCATION  
12           Program No. 158 - Education Aid

	FY2009-10	FY2010-11
14 <del>GENERAL FUND</del>	<del>1,034,708,390</del>	<del>1,035,716,478</del>
15 <u>GENERAL FUND</u>	<u>1,034,505,790</u>	<u>1,012,116,323</u>
16 CASH FUND	3,290,938	3,290,938
17 FEDERAL FUND est.	373,683,935	431,176,314
18 <del>PROGRAM TOTAL</del>	<del>1,411,683,263</del>	<del>1,470,183,730</del>
19 <u>PROGRAM TOTAL</u>	<u>1,411,480,663</u>	<u>1,446,583,575</u>

20           There is included in the appropriation to this program  
21 for FY2009-10 ~~\$1,034,708,390~~ \$1,034,505,790 General Funds,  
22 \$3,290,938 Cash Funds, and \$373,683,935 Federal Funds estimate  
23 for state aid, which shall only be used for such purpose. There  
24 is included in the appropriation to this program for FY2010-11  
25 ~~\$1,035,716,478~~ \$1,012,116,323 General Funds, \$3,290,938 Cash Funds,

1 and \$431,176,314 Federal Funds estimate for state aid, which shall  
2 only be used for such purpose.

3           There is included in the amount shown for FY2009-10  
4 \$824,960,159 General Funds which are hereby appropriated to  
5 the Tax Equity and Educational Opportunities Fund, which  
6 fund is hereby appropriated to provide state aid to public  
7 school districts pursuant to the Tax Equity and Educational  
8 Opportunities Support Act. There is included in the amount shown  
9 for FY2010-11 ~~\$825,928,798~~ \$803,529,472 General Funds which are  
10 hereby appropriated to the Tax Equity and Educational Opportunities  
11 Fund, which fund is hereby appropriated to provide state aid to  
12 public school districts pursuant to the Tax Equity and Educational  
13 Opportunities Support Act.

14           There is included in the amount shown for FY2009-10  
15 \$93,668,750 Federal Funds estimate pursuant to the American  
16 Recovery and Reinvestment Act of 2009 which are hereby appropriated  
17 to the Tax Equity and Educational Opportunities Fund, which fund  
18 is hereby appropriated to provide state aid to public school  
19 districts pursuant to the Tax Equity and Educational Opportunities  
20 Support Act. There is included in the amount shown for FY2010-11  
21 \$140,287,176 Federal Funds estimate pursuant to the American  
22 Recovery and Reinvestment Act of 2009 which are hereby appropriated  
23 to the Tax Equity and Educational Opportunities Fund, which fund is  
24 hereby appropriated to provide state aid to public school districts  
25 pursuant to the Tax Equity and Educational Opportunities Support

1 Act.

2 There is included in the amount shown for this program  
3 \$184,893,842 General Funds provided as state aid for FY2009-10 for  
4 special education reimbursement. There is included in the amount  
5 shown for this program \$184,893,842 General Funds provided as state  
6 aid for FY2010-11 for special education reimbursement.

7 There is included in the amount shown for this program  
8 ~~\$500,000~~ \$487,500 General Funds provided as state aid for FY2009-10  
9 and ~~\$500,000~~ \$475,000 General Funds provided as state aid for  
10 FY2010-11 to carry out the provisions of subsection (2) of section  
11 79-734.

12 There is included in the amount shown for this program  
13 ~~\$3,615,426~~ \$3,525,040 General Funds provided as state aid for  
14 FY2009-10 and ~~\$3,615,426~~ \$3,434,655 General Funds provided as state  
15 aid for FY2010-11 for early childhood education projects.

16 There is included in the amount shown for this program  
17 \$11,858,793 General Funds provided as state aid for FY2009-10 and  
18 ~~\$11,858,793~~ \$11,265,853 General Funds provided as state aid for  
19 FY2010-11 for core services for educational service units.

20 There is included in the amount shown for this program  
21 \$3,700,477 General Funds provided as state aid for FY2009-10 and  
22 ~~\$3,700,477~~ \$3,515,453 General Funds provided as state aid for  
23 FY2010-11 for technology infrastructure for educational service  
24 units.

25 There is included in the amount shown for this program

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1 \$328,300 General Funds provided as state aid for FY2009-10 and  
2 ~~\$328,300~~ \$311,885 General Funds provided as state aid for FY2010-11  
3 for distance education aid to educational service units.

4 There is included in the amount shown for this program  
5 ~~\$2,336,921~~ \$2,278,498 General Funds provided as state aid for  
6 FY2009-10 and ~~\$2,336,921~~ \$2,220,075 General Funds provided as state  
7 aid for FY2010-11 for programs for learners with high ability.

8 There is included in the amount shown for this program  
9 \$412,811 General Funds provided as state aid for FY2009-10 and  
10 \$427,260 General Funds provided as state aid for FY2010-11 for the  
11 school breakfast program.

12 There is included in the amount shown for this program  
13 ~~\$421,087~~ \$410,560 General Funds provided as state aid for FY2009-10  
14 and ~~\$421,087~~ \$400,033 General Funds provided as state aid for  
15 FY2010-11 for the school lunch program.

16 There is included in the amount shown for this program  
17 ~~\$230,574~~ \$224,810 General Funds provided as state aid for FY2009-10  
18 and ~~\$230,574~~ \$219,045 General Funds provided as state aid for  
19 FY2010-11 for adult basic education programs.

20 There is included in the amount shown for this program  
21 \$450,000 General Funds provided as state aid for FY2009-10 and  
22 \$450,000 General Funds provided as state aid for FY2010-11 for the  
23 Career Education Partnership Act.

24 There is included in the amount shown for this program  
25 ~~\$1,000,000~~ \$975,000 General Funds provided as state aid for

1 FY2009-10 and ~~\$1,025,000~~ \$973,750 General Funds provided as state  
2 aid for FY2010-11 for learning community aid.

3           On or before October 1 of each year, the Department of  
4 Health and Human Services and the State Department of Education  
5 shall jointly certify to the budget administrator of the budget  
6 division of the Department of Administrative Services the amount  
7 of federal medicaid funds paid to school districts pursuant to  
8 the Early Intervention Act for special education services for  
9 children age five years and older. The General Fund appropriation  
10 to the State Department of Education, Program 158, for state  
11 special education aid shall be decreased by an amount equal to  
12 the amount that would have been reimbursed with state General  
13 Funds to the school districts through the special education  
14 reimbursement process for special education services for children  
15 age five years and older that was paid to school districts or  
16 approved cooperatives with federal medicaid funds. There is hereby  
17 appropriated from the General Fund an amount equal to the amount  
18 certified to the budget administrator for FY2009-10 and FY2010-11  
19 to the Department of Health and Human Services to aid in carrying  
20 out the provisions of Laws 1991, LB 701. The budget administrator  
21 shall distribute the amount appropriated between budget programs  
22 according to percentages certified by the Department of Health and  
23 Human Services.

24           Notwithstanding other provisions of this act, all  
25 appropriations within this program existing on June 30, 2009, in

1 excess of expended or encumbered amounts are hereby lapsed.

2           Sec. 9. Original sections 77-4209, 77-4210, 77-4211, and  
3 77-4212, Revised Statutes Cumulative Supplement, 2008, sections  
4 90-510 and 90-511, Revised Statutes Supplement, 2009, and Laws  
5 2009, LB 545A, section 1, are repealed.

6           Sec. 10. Since an emergency exists, this act takes effect  
7 when passed and approved according to law.